



## **PREMIER GROUP LIMITED**

### **BOARD CHARTER**

#### **1. INTRODUCTION**

- 1.1 Recommendations for and principles of good corporate governance are set out in King IV, which includes the King IV Code on Corporate Governance (King IV Code).
- 1.2 Insofar as it is reasonable, the Board subscribes to the principles of good corporate governance as elaborated on in King IV and listed in Annexure 1 hereto and regards these as fundamentally important to the success of the business and the sustainability of the Group.
- 1.3 To guide its effective functioning, the Board approved this Charter, the provisions of which shall always be subject to all statutory and regulatory requirements, including the JSE Listings Requirements and the Company's MOI.
- 1.4 This Charter should be read in conjunction with the Board Mandate and the MOI, the principles of which are fully supported herein. In the event of a conflict between the MOI and the Board Charter, the provisions of the MOI shall prevail.
- 1.5 The purpose of the Charter is to regulate the parameters within which the Board shall operate and ensure the application of the principles of good corporate governance in all dealings by, in respect and on behalf of, the Company and furthermore to set out the roles and responsibilities of the Board and individual directors, including the composition and relevant procedures of the Board.

#### **2. DEFINITIONS**

AGM	Annual General Meeting of Premier
Board	Board of Directors of Premier
Board Mandate	The delegation of authority framework approved by the Board from time to time.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Company / Premier	Premier Group Limited
Companies Act	Companies Act 71 of 2008, as amended from time to time
Company Secretary	Company Secretary of the Board
Group	The Company and all wholly owned subsidiaries

IR	Integrated Report
JSE	JSE Limited
JSE Listings Requirements	Listing Requirements of the JSE, as amended from time to time
King IV	King IV Report on Corporate Governance for South Africa 2016
MOI	Memorandum of Incorporation of Premier

### 3. COMPOSITION OF THE BOARD

- 3.1 The Board subscribes to a unitary board structure with executive and non-executive directors. There shall at all times be a majority of non-executive directors, most of whom shall be independent as defined in King IV. The Board shall appoint a chair and lead independent director from the independent non-executive directors.
- 3.2 The chair of the Board shall be an independent non-executive director, who shall lead the Board in the objective and effective discharge of its governance roles and responsibilities. To determine whether the chair is able to perform the duties of their office effectively, the chair, together with the Board, shall consider the number of outside professional positions that the chair is allowed to hold, considering the relative size and complexities of the organisations involved.
- 3.3 The Board should annually review the number of outside professional positions that the chair and non-executive directors are appointed to and agree on the appropriateness of such appointments, considering the size, time required and complexity of all organisations in which they hold positions.
- 3.4 The CEO and CFO of the Company shall, as a minimum, be executive members of the Board.
- 3.5 There should be a clear division of responsibilities between the executive responsibility for the running of the Company's business and the leadership of the Board, such that no one individual has unfettered powers of decision-making.
- 3.6 The Remuneration and Nominations Committee, established pursuant to paragraph 10 below, shall assist with the identification of suitable candidates for appointment to the Board. Directors appointed by the Board based on the recommendation of the Remuneration and Nominations Committee shall stand down at the first AGM following such appointment but may make themselves available for re-election.
- 3.7 The Remuneration and Nominations Committee shall provide guidance on succession planning at Board level, including key roles such as the chair, the lead independent director and chairs of the respective Board committees. The succession plan should include the identification, mentorship and development of future candidates for these roles.

- 3.8 The Board, with the assistance and guidance of the Remuneration and Nominations Committee, shall on an annual basis consider its size, diversity, demographics and skills requirements as part of the assessment of the Board and directors' performance. The Board should promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance, including field of knowledge, skills and experience as well as age, culture, race and gender.
- 3.9 The Board shall set targets for race and gender representation in its membership and report on performance against such targets, as is required by the JSE Listings Requirements.
- 3.10 In accordance with the provisions of the MOI, at least one third of the non-executive directors shall retire by rotation on an annual basis.
- 3.11 The independence of all independent non-executive directors will be assessed on an annual basis with a specific focus on the independence of independent non-executive directors who have served for more than nine years, and the outcome of such assessments will be reported on in the IR.

#### **4. INDEPENDENCE AND CONFLICTS**

- 4.1 Each director shall at least annually, or whenever there are significant changes, submit to the Board, via the Company Secretary, a declaration of financial, economic and other interests held by the director and related parties as is required in terms of section 75 of the Companies Act. The Company Secretary shall use these submissions to maintain a consolidated declaration of interests' register.
- 4.2 At the beginning of each meeting of the Board and the Board Committees, all directors shall be required to declare whether they have any conflicts of interest in respect of any matter on the agenda. Directors with personal financial interests and/or conflicts of interest shall not be allowed to vote or participate in the consideration of the matter in question and will be required to follow the provisions of section 75 of the Companies Act and the MOI in this regard.
- 4.3 Non-executive directors shall be categorised as independent if the Board concludes that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making in the best interest of the Company. The Board shall consider the indicators as set out in King IV and other indicators holistically and on a substance-over-form basis when assessing the independence of a director for purposes of the categorisation.
- 4.4 Independent non-executive directors may continue to serve as such for longer than nine years if, upon an assessment concluded every year thereafter, with the assistance of the Remuneration and Nominations Committee, it is concluded that such directors exercise objective judgement and that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making, in respect of such directors.

## 5. ROLE AND RESPONSIBILITIES OF THE BOARD

- 5.1 The Board shall serve as the focal point and custodian of corporate governance in the Group and shall exercise its leadership role by:
  - 5.1.1 defining and creating a roadmap for value creation and oversee that value is being created for stakeholders by executive directors and management;
  - 5.1.2 steering the Group and setting its strategic direction for the short, medium and long term;
  - 5.1.3 approving policy and planning that gives effect to value creation;
  - 5.1.4 overseeing and monitoring the implementation and execution of strategy by management; and
  - 5.1.5 ensuring accountability for performance by individuals in the Group by means of, among others, creating, approving and maintaining reporting and disclosure requirements.
- 5.2 In fulfilling its function and insofar as it is reasonable, the Board shall apply the 16 principles of King IV as listed in Schedule 1 to this Charter.
- 5.3 The Board shall appoint the CEO and formally evaluate the performance of the CEO annually against agreed performance measures and targets. The Board shall satisfy itself that there is succession planning for the CEO position (emergency situations and succession over the longer term) and periodically review these plans. In addition, the Board, via the Remuneration and Nominations Committee, shall provide input regarding senior management appointments, remuneration and succession plans.
- 5.4 The Board shall approve and annually review the Board Mandate which articulates its set direction on reservation and delegation of power. Such Board Mandate shall authorise the CEO to approve the sub-delegation of his/her power and authority to key management functions, provided such delegation is clearly documented. The Board shall oversee that key management functions are headed by individuals with the necessary competence and authority and are adequately resourced.
- 5.5 The Board shall, with the support and guidance of the Audit and Risk Committee, approve the Risk Management and Combined Assurance Policy and Framework, risk appetite and tolerance levels and manage the assurance of the Company's external reports.
- 5.6 The Board shall, with the support and guidance of the Social and Ethics Committee review the requirements of the Company's material stakeholders and approve the Stakeholder Engagement Policy / Strategy.
- 5.7 The Board shall implement a formal governance framework in respect of subsidiary companies and other related entities in the Group.

- 5.8 The Board shall, with the support and guidance of the Remuneration and Nominations Committee, adopt remuneration policies that are fair, responsible, and transparent and are also aligned with the strategy of the Company while linked to individual performance. A remuneration report and implementation report shall be included in the IR and the remuneration policy and implementation report shall be submitted to shareholders annually for a non-binding, advisory vote.
- 5.9 Matters that require specific approval by the Board are set out in Annexure 2 hereto.

## **6. RESPONSIBILITIES OF THE BOARD CHAIR**

- 6.1 The chair is accountable to the Board.
- 6.2 The chair is not responsible for executive matters regarding the Company's business. Other than the CEO and (in respect of the limited matters set out herein and other matters directly relating to the Board) the Company Secretary, no executives report to him other than through the Board.
- 6.3 The re-appointment of the chair shall be considered biennially by the Board, based on the outcome of the formal evaluation process.
- 6.4 In fulfilling his/ her responsibility to the Company, the Board chair shall be expected and undertakes to:
- 6.4.1 set the ethical tone for the Board and the Group;
  - 6.4.2 provide overall leadership to the Board without limiting the principle of collective responsibility for Board decisions;
  - 6.4.3 ensure, in conjunction with the CEO and the Company Secretary, that an annual work plan for the Board is developed and play an active part in setting the agenda for Board meetings;
  - 6.4.4 With the assistance of the Remuneration and Nominations Committee:
    - 6.4.4.1 identify and participate in the nomination of individuals for appointment as directors;
    - 6.4.4.2 oversee a formal succession plan for directors and senior management of the Company;
    - 6.4.4.3 ensure that a formal programme of induction and continuing professional development for directors is adopted; and
    - 6.4.4.4 ensure that the on-going effectiveness and development of the Board, Board committees and individual directors is reviewed annually;
  - 6.4.5 preside over Board meetings and ensure that time in meetings is used productively;

- 6.4.6 deal with conflicts of interest which may arise, ensuring compliance with all internal and external legal requirements. In this regard, the chair must ask the relevant director to recuse themselves from participating in discussions and taking decisions in respect of matters in which they have a conflict of interest;
- 6.4.7 act as a link between the Board and management and in particular between the Board and the CEO;
- 6.4.8 ensure that complete, timely, relevant, accurate, honest and accessible information is placed before the Board to enable directors to reach an informed decision;
- 6.4.9 ensure that all directors play a full and constructive role in the affairs of the Company and take a lead role in the process of removing non-performing or unsuitable directors from the Board;
- 6.4.10 monitor how the Board works together and how individual directors perform and interact at meetings;
- 6.4.11 ensure that all directors are appropriately made aware of their responsibilities;
- 6.4.12 ensure that good relations are maintained with the Company's major shareholders and its strategic stakeholders and build and maintain stakeholder trust and confidence in the Company; and
- 6.4.13 ensure that Board decisions are executed.

## **7. RESPONSIBILITIES OF THE LEAD INDEPENDENT DIRECTOR**

- 7.1 In fulfilling his/her responsibility to the Company, the lead independent director shall be expected and undertakes to:
  - 7.1.1 lead the Board in the absence of the chair;
  - 7.1.2 serve as a sounding board for the chair;
  - 7.1.3 act as an intermediary between the chair and the other members of the Board, as and when necessary;
  - 7.1.4 deal with member and stakeholder concerns where contact through normal channels have failed to resolve the concern or where such contact would not be appropriate;
  - 7.1.5 chair discussions and decision making of the Board where the chair has a conflict of interest; and
  - 7.1.6 meet with the chair annually about the evaluation and appraisal of the chair's performance and meeting their duties and responsibilities.

## **8. RESPONSIBILITIES OF INDIVIDUAL DIRECTORS**

- 8.1 In fulfilling his/her responsibility to the Company, a director shall be expected to exhibit integrity, competence, responsibility, accountability, fairness and transparency and, as such shall be expected and undertakes to:
  - 8.1.1 act in the best interest of the Company, in good faith and with integrity and adhere to all relevant legal standards of conduct;
  - 8.1.2 conduct themselves in a professional manner;
  - 8.1.3 avoid any conflict of interest between their personal affairs and that of the Group or, where unavoidable, disclose any such conflict or potential conflict to the Board;
  - 8.1.4 act ethically beyond mere legal compliance;
  - 8.1.5 disclose any information that they may be aware of that is material to the Group and which the Board is not aware of, unless such director is bound by legal, ethical or contractual obligations of non-disclosure;
  - 8.1.6 only use their powers for the purposes for which they were conferred upon them and not to gain an advantage for himself or a third party or to harm the Group in any way;
  - 8.1.7 only act within their powers as formally delegated by the Board;
  - 8.1.8 keep all information learned in their capacity as a director strictly confidential;
  - 8.1.9 use their best endeavours to attend Board and relevant Board committee meetings where at all possible and devote appropriate preparation time ahead of each meeting to ensure that they are able to contribute to Board and committee discussions and to make informed decisions on matters placed before the Board or Board committee;
  - 8.1.10 take steps to ensure that they have sufficient working knowledge of the Group, its industry, the triple context in which it operates, the capitals it uses and affects as well as of the key laws, rules, codes and standards applicable to the Group;
  - 8.1.11 continuously develop their competence to lead effectively;
  - 8.1.12 exhibit the degree of skill and care as may be reasonably expected from a person of their skill and experience, but also exercise both the care and skill any reasonable person would be expected to show in looking after their own affairs; and
  - 8.1.13 actively participate in and contribute to Board deliberations in a constructive and frank manner under the leadership and guidance of the chair.

- 8.2 Individual directors shall be expected to participate in the Company's induction programme on appointment and attend such professional development programmes as deemed necessary by the chair based on the outcome of the periodic assessment of the director's performance.
- 8.3 Directors who are not able to attend any meetings of the Board shall submit a formal apology, with reasons, to the chair or company secretary.
- 8.4 The directors are entitled to have access, at reasonable times, to all relevant Company information and to management. Such access shall be arranged through the chair of the Board or the CEO.

## **9. DEVELOPMENT OF DIRECTORS**

- 9.1 A formal induction programme shall be in place for new directors who shall also be provided with a formal letter of appointment.
- 9.2 Where deemed necessary, directors shall be assisted, with the guidance of the chair, to participate in development and mentoring programmes where available. The need for continuing professional development programmes shall be identified as part of the periodic assessment of the performance of the directors.
- 9.3 Directors shall be provided with regular briefings on changes in risks, laws and the environment but shall also be expected to keep abreast of developments in the business environment and markets that may have a material impact on the business and operations of the Group.

## **10. BOARD COMMITTEES**

- 10.1 The Board shall delegate certain of its functions to well-structured committees but without abdicating its own responsibilities. Each committee as established by the Board shall have formal terms of reference to be approved by the Board and annually reviewed.
- 10.2 The committees shall be appropriately constituted with due regard to the skills required by each committee. The Board shall consider the allocation of roles and associated responsibilities and the composition of membership across committees holistically to achieve the following:
  - 10.2.1 effective collaboration through cross-membership between committees, where required; coordinated timing of meetings; and avoidance of duplication or fragmented functioning in so far as possible;
  - 10.2.2 ensure that, where more than one committee has jurisdiction to deal with a similar matter, the specific role and positioning of each committee in relation to such matter are defined to ensure complementary rather than competing approaches; and



- 10.2.3 a balanced distribution of power in respect of membership across committees, so that no individual has the ability to dominate decision-making, and no undue influence is placed on any individual.
- 10.3 The committees shall be chaired by an independent non-executive director and the majority of committee members shall be independent non-executive directors unless otherwise regulated in the terms of reference of the committee.
- 10.4 As a minimum, the Board shall establish an Audit and Risk Committee, a Social and Ethics Committee and a Remuneration and Nomination Committee.
- 10.5 The chair of the Board:
- 10.5.1 shall not be a member of the Audit and Risk Committee;
- 10.5.2 shall be a member of the Remuneration and Nominations Committee but not its chair; and
- 10.5.3 may be a member of the Social and Ethics Committee but not its chair.

## **11. COMPANY SECRETARY**

- 11.1 The Board shall appoint and remove the Company Secretary and empower the Company Secretary to enable them to properly fulfil their duties. The Board shall approve the employment contract and remuneration of the Company Secretary and ensure that the person appointed has the necessary competence, gravitas and objectivity to provide independent guidance and support at the highest level of decision-making in the Company.
- 11.2 The Company Secretary shall provide professional and independent guidance to the Board and individual directors on corporate governance and legal duties and shall support the Board by coordinating the functioning of the Board and its committees. The Company Secretary shall have unfettered access to the Board but, for reasons of independence, shall maintain an arms-length relationship with the Board and the directors. Accordingly, the Company Secretary should not be a director.
- 11.3 The Company Secretary shall report to the Board via the chair on all statutory duties and functions performed in connection with the Board. The performance, independence and qualifications of the Company Secretary shall be evaluated by the Board at least annually and reported on as required by the JSE Listings Requirements.

## **12. MEETING PROCEDURE**

- 12.1 The Board shall hold sufficient scheduled meetings to discharge all its duties but subject to a minimum of 4 (four) meetings per year, excluding its annual strategy meeting. Any director may, in consultation with the chair, request additional Board meetings to be held as and when deemed appropriate.

- 12.2 The Company Secretary shall be required to facilitate the process of setting the agenda for each meeting as agreed with the chair and CEO. Every director shall be entitled, in consultation with the chair, to add any item to the agenda for a particular Board meeting.
- 12.3 Meetings shall be scheduled in advance, as per the annual Board calendar. The agenda and supporting meeting papers will serve as adequate and reasonable notice of such meeting. The detailed agenda together with supporting documentation shall be circulated prior to the meeting within a reasonable time to enable the directors to be properly prepared for the meeting.
- 12.4 The quorum necessary for the transaction of business shall be a majority of directors unless otherwise provided for in the MOI.
- 12.5 From time to time, the non-executive directors shall meet without any members of the executive management team being present, for the purposes of evaluating the information received from executive management about the Company and the Group and to determine whether it is reliable and of the appropriate standard.
- 12.6 Members of senior management and service providers may be invited by the chair to attend meetings of the Board but shall not be entitled to vote or be counted for quorum purposes.
- 12.7 In the absence of the chair at a meeting, the Board shall elect one of the directors present to act as chair for purposes of the meeting.
- 12.8 The Board's discussions shall at all times be open and constructive. The chair shall seek a consensus in the Board but may, where considered necessary, call for a vote in whatever manner the chair, in his/her sole discretion, deems appropriate.
- 12.9 Meeting minutes shall be completed as soon as possible after the meeting and circulated to the chair and thereafter the remaining members of the Board for review. The final minutes will be tabled for confirmation as a true record of proceedings at the next meeting of the Board or circulated for this purpose via electronic communication and shall thereafter be signed by the chair of the Board.
- 12.10 The Board shall establish an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 12.11 Board meetings may be conducted via telephone or video conference facilities provided that all concerned can actively participate in the meeting. Directors participating via these facilities shall be counted for quorum purposes.

### **13. WRITTEN RESOLUTIONS**

- 13.1 Decisions taken by written resolution other than at a meeting are valid decisions of the Board if received by all members and signed by a majority thereof. Resolutions for this purpose may be circulated via electronic communication.

## **14. BOARD PROCEDURES AND POLICIES**

- 14.1 The Board shall be entitled to adopt and approve such procedures and policies as it may deem necessary to ensure proper governance in the management of its affairs. As a minimum, the Board shall adopt policies and procedures in respect of the following:
  - 14.1.1 Conflicts of interest: The Board shall adopt a formal code of ethics and a conflicts of interest policy in terms of which conflicts are defined and appropriate procedures for dealing with conflicts are prescribed.
  - 14.1.2 Trading in company securities: The Board shall adopt, approve and regularly review a formal procedure to regulate the trading by directors and senior management in the Company's securities.
  - 14.1.3 Dissemination of company information: The Board shall adopt, approve and regularly review a policy in respect of the dissemination of Company information to regulate the circulation of price sensitive information and to ensure equal treatment of all shareholders.
  - 14.1.4 Responsible and transparent tax: The Board shall adopt, approve and regularly review a policy to regulate the Company's tax practices, ensuring that same remain compliant with applicable laws and congruent with responsible corporate citizenship.

## **15. BOARD AND DIRECTOR EVALUATION**

- 15.1 A formal assessment of the performance of the Board, chair, individual directors and Board committee members shall be done every two years in accordance with the methodology approved by the Board on recommendation by the Remuneration and Nominations Committee.
- 15.2 The Lead Independent Director shall lead the evaluation of the chair's performance.
- 15.3 An overview of the evaluation process, results and action plans shall be disclosed in the IR.
- 15.4 The nomination for the re-appointment of a director shall only occur after the evaluation of the performance and attendance of the director at meetings of the Board and relevant Board committees.

## **16. DIRECTORS' FEES**

- 16.1 Fees paid to directors for their services as directors shall be approved by shareholders at the AGM as required by the Companies Act on recommendation by the Board with the input and assistance of the Remuneration and Nominations Committee.
- 16.2 Full disclosure of all fees paid to directors for their services as directors shall be made in the IR.

- 16.3 Non-executive directors should, as a general rule, not provide any professional or business services of an ongoing nature to the Company. The Company may, for the purpose of a special assignment, engage the services of a non-executive director (within that specific field of expertise) but the terms of the engagement must be competitive, clearly recorded and all legal requirements with regards to disclosure must be complied with.
- 16.4 Fees shall be paid to individuals attending meetings of the Board on invitation only, if approved by the chair.

## **17.ACCESS TO PROFESSIONAL ADVICE**

- 17.1 Independent professional advice for purposes of this section shall include legal advice and the advice of accountants and other professional financial advisers on matters of law, accounting and other regulatory matters relating to the business and/or affairs of the Board and/or the Company but shall exclude advice concerning the personal interests of the director concerned.
- 17.2 The directors shall, both individually and collectively, have the right to consult the Company's professional advisers and, if they are not satisfied with the advice received, seek independent professional advice at the Company's expense in the furtherance of their duties as directors, subject to the procedures and limitations as set out below.
- 17.3 A director shall give prior written notice to the chair, with a copy to the Company Secretary, of his/her intention to seek independent professional advice under this procedure and shall provide the name(s) of any professional advisers he proposes to instruct, together with a summary of the subject matter. The chair shall approve the rationale and direct the Company Secretary to assist.
- 17.4 The Company Secretary shall, after consulting the chair, provide a written acknowledgement of receipt of the notification which shall state whether the fees for the professional advice sought are payable by the Company under these provisions.
- 17.5 If the fees of independent professional advisers per assignment are likely to exceed fifty thousand Rand (R50 000-00) the written consent of the chair, or in his/her absence, any other independent non-executive director of the Board will first be obtained via the company secretary who shall facilitate the formal process.
- 17.6 Any advice obtained under these provisions shall be made available to the other directors if the Board so requests.
- 17.7 In the event that any director seeks information or advice from any employee in the Group, the director shall channel such request via the Company Secretary, CEO; or alternatively any other Executive Director.

## **18. GOVERNANCE FRAMEWORK: SUBSIDIARY COMPANIES**

- 18.1 The Board, on behalf of the Company, recognises the statutory and fiduciary duties of the directors of subsidiary companies and in particular their duty to act in the best interests of the subsidiary company at all times whether or not the director is nominated to the board of the subsidiary company by the Company (in its capacity as holding company). In the case of a conflict between the duties of a director to a subsidiary company and the interests of the Company as holding company, the duties of the director to the subsidiary company must prevail.
- 18.2 To the extent provided for in the Board Mandate, adopting and implementing policies and procedures of the Company as holding company in the operations of the subsidiary company should be a matter for the board of the subsidiary company to consider and approve, if the subsidiary company's board considers it appropriate.
- 18.3 The Board shall implement a formal Group governance framework as recommended by King IV and shall review such framework on a regular basis.

## **19. DISPUTE RESOLUTION**

- 19.1 The Board subscribes to the principle that both internal and external disputes should be resolved as effectively, efficiently and expeditiously as possible.
- 19.2 To the extent reasonably possible, dispute resolution should be cost effective and not be a drain on the finances and resources of the Company. This entails selecting a dispute resolution method, where possible, that best serves the interests of the Company, considering issues such as the preservation of business relationships and costs, both in money and time, especially executive time, as well as relevant commercial considerations.
- 19.3 Alternative dispute resolution, including methods such as conciliation, mediation and arbitration, should therefore be considered as possible options in the resolution of both internal and external disputes, before approaching a court of law, but only when appropriate and considering the above-mentioned principles.

## **20. LEGAL COMPLIANCE**

- 20.1 The Board subscribes to the principle that being legally compliant is essential, not only for business success, but also to protect, maintain and enhance the reputation of the Company and the Group.
- 20.2 The Board is responsible to monitor compliance with applicable laws and with those non-binding rules, codes and standards with which the Company elects to comply. This responsibility shall be undertaken on behalf of the Board by the Audit and Risk Committee, in cooperation with other relevant committees of the Board, with an annual report on compliance being submitted to the Board via this committee.

- 20.3 Management is responsible for implementing the required mechanisms to identify and manage compliance in the Company and the Group through the implementation of an effective compliance framework and processes, which should form an integral part of the Company's risk management process.
- 20.4 The Board should be continually informed by the Company Secretary of relevant laws, rules, codes and standards to enable the Board to adequately discharge its duties in the best interest of the Company and with due care, skill and diligence. Any material incidences of non-compliance should be immediately reported to the Board by the CEO.

## **21. REVIEW AND APPROVAL OF CHARTER**

- 21.1 The Board shall review this Charter biennially to determine its adequacy for current circumstances.
- 21.2 This Charter was approved by the Board.

## **ANNEXURE 1: KING IV 16 PRINCIPLES**

### **1. Leadership**

The Board should lead ethically and effectively.

### **2. Organisational ethics**

The Board should govern the organisation in a way that supports the establishment of an ethical culture.

### **3. Responsible corporate citizenship**

The Board should ensure that the organisation is and is seen to be a responsible corporate citizen.

### **4. Strategy and performance**

The Board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

### **5. Reporting**

The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.

### **6. Primary role and responsibilities of the governing body**

The Board should serve as the focal point and custodian of corporate governance in the organisation.

### **7. Composition of the governing body**

The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

### **8. Committees of the governing body**

The Board should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties.

### **9. Evaluations of the performance of the governing body**

The Board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

### **10. Appointment and delegation to management**

The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

**11. Risk Governance**

The Board should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

**12. Technology and information governance**

The Board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

**13. Compliance governance**

The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

**14. Remuneration governance**

The Board should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

**15. Assurance**

The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the external reports.

**16. Stakeholders**

In the execution of its governance role and responsibilities, the Board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.



## **ANNEXURE 2: MATTERS REQUIRING SPECIFIC APPROVAL BY THE BOARD**

### **1. Strategic**

- 1.1 Approval of the strategy/ies, business plans, annual budgets and of any subsequent material changes in strategic direction or material deviations in the strategy or business plans.
- 1.2 Establishment of any material business or one of strategic importance, outside of South Africa.
- 1.3 Major acquisitions or disposals.

### **2. Financial**

- 2.1 Adoption of any significant change or departure in the accounting policies and practices of the Company which may have a material impact on results.
- 2.2 Approval of annual financial statements, the approval of interim reports, the valuation of unlisted investments, the declaration of dividends and the forfeiture of unclaimed dividends.
- 2.3 Consider the going concern status of the Company.
- 2.4 Recommendations to shareholders of any increase, reduction or alteration in the share capital of the Company and the allotment, issue or other disposal of shares of the Company.

### **3. Statutory and administrative**

- 3.1 Amendments to the MOI of the Company as required by legislation.
- 3.2 Variation of the rights attaching to shares where such powers are vested in the Directors.
- 3.3 Frequency of meetings of the Board.
- 3.4 Convening of general meetings of shareholders of the Company.
- 3.5 Appointment and removal of the Company Secretary or any Deputy Company Secretary if one is appointed.

### **4. Regulatory**

- 4.1 Approval of matters requiring general or specific Board approval in terms of legislation.
- 4.2 Approval of terms and conditions of the Company's rights issues, public offers, capital issues or issues of convertible securities, including shares or convertible securities issued for acquisition.
- 4.3 Approval of and authority to issue prospectuses, listing particulars, rights offers or takeover or merger documents.
- 4.4 Approval of any ordinary or special resolutions in respect of the Company, prior to proposing such resolutions to the shareholders.
- 4.5 Any decision to list or de-list the Company's shares on any stock exchange.

### **5. Governance**

- 5.1 Changes to the Charter or powers, limits and authorities of Board Committees.
- 5.2 Delegation of powers to the CEO by means of the Board Mandate.
- 5.3 Granting of general or specific signing authorities pursuant to the MOI of the Company and not covered by the Board Mandate.

## **6. Human Resources**

- 6.1 Appointments to and removals from the Board, including the appointment of the chair, lead independent director, executive directors and non-executive directors, and the nomination of alternate Directors (if any), as recommended by the Remuneration and Nominations Committee.
- 6.2 The Board is permitted to remove any director without shareholder approval.
- 6.3 Appointment of members to Board Committees and the Boards of major subsidiaries within the Group.
- 6.4 Changes to Directors' fees as recommended by the Remuneration and Nominations Committee.

